

Message Text

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PAGE 01 PEKING 02041 060926Z

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TAGS: ECON CH

SUBJ: CHINA'S 30 POINTS FOR INDUSTRY

1. SUMMARY: THE CENTRAL COMMITTEE HAS PROMULGATED A NEW CODIFICATION OF INDUSTRIAL POLICY CALLED THE "30 POINTS FOR INDUSTRY". AS STATED IN A PEOPLE'S DAILY EDITORIAL JULY 4, THE MAIN PURPOSE FOR ADOPTING THE 30 POINTS IS TO RAISE THE LEVEL OF ENTERPRISE AND INDUSTRIAL MANAGEMENT, WHICH IS ESSENTIAL FOR THE ACCELERATION OF INDUSTRIALIZATION AND REALIZATION OF THE FOUR MODERNIZATIONS. OTHER THEMES ARE POLITICAL RECTIFICATION OF ENTERPRISES, CENTRAL-LOCAL ADMINISTRATIVE RELATIONS, SPECIALIZATION OF PRODUCTION, CENTRAL PLANNING, RESOURCE ALLOCATION AND WAGE AND LABOR POLICY. THE 30 POINTS ARE UNDOUBTEDLY AN IMPORTANT STEP IN INDUSTRIAL POLICY-MAKING AS WELL AS A VINDICATION OF THE ECONOMIC PRAGMATIST LINE THAT INSPIRED THE DRAFTING ON NEW INDUSTRIAL POLICY TRACTS IN 1961, 1972, AND 1975. WE DOUBT THAT THE 30 POINTS CALL FOR A SIGNIFICANT INSTITUTIONAL RETURN TO CENTRALIZATION. END SUMMARY.

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PAGE 02 PEKING 02041 060926Z

2. THE PEOPLE'S DAILY ON JULY 4 ANNOUNCED IN AN EDITORIAL AND ONE BRIEF ARTICLE THE RECENT PROMULGATION OF A NEW CODIFICATION OF INDUSTRIAL POLICY ENTITLED "DECISION OF THE CCP CENTRAL COMMITTEE ON SOME QUESTIONS ON ACCELERATING INDUSTRIAL DEVELOPMENT (DRAFT)" OR "30 POINTS FOR INDUSTRY." THE EDITORIAL STATED THAT

THE 30 POINTS ARE THE RESULT OF MANY YEARS OF STRUGGLE BETWEEN THE TWO LINES, AND DRAW UPON AND INCORPORATE THIS EXPERIENCE WITH THE 70 POINTS FOR INDUSTRY APPROVED BY CHAIRMAN MAO IN 1961 AND THE 10 POINTS (COMMUNICATION ON UPHOLDING INDUSTRIAL PLANNING AND STRENGTHENING ECONOMIC MANAGEMENT) OF 1972 AS WELL AS THE "20 POINTS FOR INDUSTRY" OF 1975.

3. THE NCNA ARTICLE STATES THAT THE 30 POINTS HAVE ALREADY BEEN PASSED DOWN TO THE PROVINCES, MUNICIPALITIES AND AUTONOMOUS REGIONS AND TO ALL PARTY AND STATE DEPARTMENTS FOR IMPLEMENTATION. AN OUTLINE OF THE CONTENTS OF THE POINTS IS PROVIDED. FOR EXAMPLE, POINT ONE BEARS THE HEADLINE "EXPOSE AND CRITICIZE THE GANG OF FOUR," NUMBER FIFTEEN IS "ACCORD A PROMINENT PLACE TO THE DEVELOPMENT OF FUELS, POWER, RAW MATERIALS AND TRANSPORT" AND NUMBER THIRTY IS "ADOPT ALL-AROUND PLANNING; STRENGTHEN LEADERSHIP."

4. THE EDITORIAL STATES THAT "IN ORDER TO REALIZE THE FOUR MODERNIZATIONS IN THIS CENTURY WE MUST ACCELERATE THE PACE OF INDUSTRIAL DEVELOPMENT. IN ORDER TO ACCELERATE THE PACE OF INDUSTRIAL DEVELOPMENT, WE MUST SOLVE ONE VERY IMPORTANT PROBLEM, NAMELY, WE MUST ENDEAVOR TO RAISE THE LEVEL OF ENTERPRISE MANAGEMENT AND INDUSTRIAL MANAGEMENT. THE 30 POINTS HAVE BEEN ADOPTED TO THIS PURPOSE." ANOTHER LIMITED OFFICIAL USE

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PAGE 03 PEKING 02041 060926Z

MAJOR THEME IS RECTIFICATION OF ENTERPRISES AND ROOTING OUT THE REMNANT POISON AND INFLUENCE OF THE GANG OF FOUR. THE EDITORIAL AND (PRESUMABLY THE 30 POINTS AS WELL) GIVES INSTRUCTIONS ON HOW TO TREAT PERSONS WHO CONSCIOUSLY OR UNCONSCIOUSLY FOLLOWED THE GANG OF FOUR. THE OUTLINE OF THE 30 POINTS' CONTENTS SUGGESTS THAT, IN ADDITION TO MANAGEMENT AND RECTIFICATION POLICY, THE POINTS SET DOWN POLICY ON CENTRAL-LOCAL ADMINISTRATIVE RELATIONSHIPS, ENTERPRISE SPECIALIZATION AND THE DIVISION OF LABOR, CENTRAL PLANNING, RESOURCE ALLOCATIONS AND WAGE AND LABOR POLICY.

5. COMMENT: THE 30 POINTS UNDOUBTEDLY CONSTITUTE THE MOST IMPORTANT NEW STEP IN INDUSTRIAL POLICY-MAKING SINCE THE CULTURAL REVOLUTION AS WELL AS AVINDICATION OF THE ECONOMIC PRAGMATIST LINE WHICH WAS EXPRESSED IN THE 70 POINTS AND THE 20 POINTS (AND NO DOUBT THE 10 POINTS AS WELL), PROGRAM WHICH WERE ATTACKED BY RADICALS DURING THE CULTURAL REVOLUTION AND 1976, RESPECTIVELY. THE 70 POINTS WERE DRAFTED AFTER THE COLLAPSE OF THE GREAT LEAP FORWARD. THEY WERE NEVER MADE PUBLIC BY THE CHINESE IN ANY DETAILED FORM, BUT THEY ARE BELIEVED TO HAVE ORDERED THE RETURN TO OPERATIONAL

RESPONSIBILITY OF ENTERPRISES OF MANAGERS, ENGINEERS AND TECHNICIANS UNDER THE GENERAL SUPERVISION OF THE PARTY COMMITTEE. THEY ALSO ARE SUPPOSED TO HAVE MADE PROFITABILITY A MAIN GAUGE OF ENTERPRISE EFFICIENCY AND TO HAVE EMPHASIZED MATERIAL INCENTIVES. THE PRESENT 30 POINTS UNDOUBTEDLY CONTAIN THESE PROVISIONS AS WELL AS INSTRUCTIONS ON SPECIALIZATION THAT AS INTIMATED AT THE NATIONAL CONFERENCE ON AGRICULTURAL MECHANIZATION AND THE CONFERENCE ON FINANCE AND TRADE -- CALL FOR A READJUSTMENT OF INDUSTRY AWAY FROM THE MAOIST ORIENTATION TOWARD LOCAL AUTARKY.

6. WE DO NOT SUGGEST THAT THE 30 POINTS CALL FOR GREATLY INCREASED CENTRALIZATION, PARTICULARLY IN THE FORM OF RETURNING TO DIRECT MINISTRY CONTROL OF ENTERPRISES LIMITED OFFICIAL USE

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PAGE 04 PEKING 02041 060926Z

THAT WERE "DECENTRALIZED" TO PROVINCIAL AND LOWER-LEVEL CONTROL IN THE LATE 1950'S AND 1960'S. RATHER, WE EXPECT THE CENTER TO EXERCISE MORE EFFECTIVE CONTROL AND SUPERVISION BY IMPROVING PLAN IMPLEMENTATION AND EMPHASIZING THE CONTROL FUNCTIONS OF SUCH CENTRAL ORGANS AS THE PEOPLE'S BANK OF CHINA.

7. HOWEVER, THE MAIN PURPOSE OF THE 30 POINTS IS TO IMPROVE INDUSTRIAL MANAGEMENT. THIS AND INCREASING LABOR PRODUCTIVITY WERE CLEARLY IDENTIFIED AS THE PRINCIPAL FEATURES OF THE POST-MAO LEADERSHIP'S ECONOMIC POLICY AT THE FIFTH NPC. WOODCOCK

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